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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P., <sup>1</sup>

Debtor.

Chapter 11

Case No. 19-34054-sgj-11

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<sup>1</sup> On August 11, 2021 (the “**Effective Date**”), the *Fifth Amended Plan of Reorganization of Highland Capital Management, L.P., (As Modified)* [Dkt No. 1808] (the “**Plan**”), filed by Highland Capital Management, L.P. (the “**Debtor**” or “**Reorganized Debtor**”) became effective. Therefore, all references made herein to the “Debtor” are to the “Debtor” or the “Reorganized Debtor,” as the case may, be depending upon the date in question.

**MOTION OF CPCM, LLC FOR ALLOWANCE AND PAYMENT  
OF ADMINISTRATIVE EXPENSES OF RANK-AND-FILE EMPLOYEES<sup>2</sup>**

CPCM, LLC (“CPCM”)<sup>3</sup>, by and through its undersigned counsel, files this Motion of CPCM, LLC for Allowance and Payment of Administrative Expenses of Rank-and-File Employees (the “**Motion**”), and in support thereof respectively states as follows:

1. Previously, each of the Rank-and-File Employees timely filed a proof of claim in the above-captioned bankruptcy case. In each instance, such proof of claim arises out of the “**Annual Bonus Plan**” and the “**Deferred Bonus Plan**” as such terms are defined in the *Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations Under Employee Bonus Plans and Granting Related Relief*, dated November 26, 2019 [Docket No. 177] (the “**Bonus Motion**”).

2. On March 18, 2021, the Debtor filed its *Third Omnibus Objection to Certain No Liability Claims* [Docket No. 2059] (the “**Objection**”) objecting to, among others, the Rank-and-File Employees’ claims. On August 24, 2021, the Court entered an *Agreed Scheduling Order* on the Objection [Docket No. 2768], which governs the schedule for resolving the Debtor’s objection to the Rank-and-File Employees’ claims, including whether such claims “are entitled to administrative priority.”

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<sup>2</sup> The following are the Rank-and-File Employees referred to in this Motion (with timely filed proof of claim number of each in parentheses): Lucy Bannon (235); Jerome Carter (223); Brian Collins (233); Matthew DiOrio (230); Hayley Eliason (236); William Gosserand (232); Steven Haltom (224); Charles Hoedebeck (228); Mary Irving (231); Helen Kim (226); Kari Kovelan (227); William Mabry (234); Mark Patrick (219); Christopher Rice (220); Jason Rothstein (229); Jean Paul Sevilla (241); Kellie Stevens (221); Ricky Swadley (237); Lauren Thedford (222); and Stephanie Vitiello (225).

<sup>3</sup> In accordance with certain Assignment of Claims Agreements, the Rank-and-File Employees each assigned to CPCM, among other things, any and all claims such person held against the Debtor asserted in various proofs of claim relating to amounts owed to the Rank-and-File Employees as employment compensation and any claims relating to the right of such Rank-and-File Employee to receive any performance bonus from the Debtor with respect to the 2019 or 2020 calendar year.

3. Although the Bonus Plans<sup>4</sup> were pre-petition agreements, some of the payments owing by the Debtor to the Rank-and-File Employees under the Bonus Plans were not due to be paid until after the Debtor filed its bankruptcy petition. Each of the proofs of claim filed by the Rank-and-File Employees contained a rider attached to the proof of claim stating as follows:

This Rider relates to the proof of claim filed by the Employee Creditor against the estate of the Debtor in the Chapter 11 Case. This Rider constitutes a part of such proof of claim as if set forth in full on the face of such proof of claim.

The Employee Creditor believes that the claims set forth in this proof of claim are entitled to be paid as administrative expenses under sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code, and the Employee Creditor reserves the right to file with the Bankruptcy Court a request for payment of the claims set forth in this proof of claim as administrative expenses. Such claims also may be entitled to priority under section 507(a)(4) or section 507(a)(5) of the Bankruptcy Code, and the Employee Creditor reserves the right to seek priority treatment under such sections.

This proof of claim also is without prejudice to any other claims that the Employee Creditor may assert constitute administrative expenses under section 503(b)(1) of the Bankruptcy Code.

4. The Rank-and-File Employees believe that the assertion of claims to which they are entitled to administrative priority in their previously timely filed proofs of claim is sufficient to satisfy the requirements of the Bankruptcy Code and the applicable provisions of the Debtor's confirmed Plan. But to foreclose any argument that might be made by any objecting party that the Rank-and-File Employees waived any right to payment as

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<sup>4</sup> Capitalized terms not otherwise defined in this Motion have the meanings ascribed to them in the Bonus Motion.

administrative expenses by not filing a motion for payment by the deadline established under the Plan and Confirmation Order, the Rank-and-File Employees are filing this Motion re-asserting and re-alleging their claims. By this Motion, the Rank-and-File Employees incorporate by reference their previously filed proofs of claim.<sup>5</sup>

5. CPCM respectfully requests that the amounts asserted in the Rank-and-File Employees' respective proofs of claim be Allowed as Administrative Expenses under 11 U.S.C. § 503(b)(1)(A) and paid in accordance with 11 U.S.C. § 507(a)(2).

*[Remainder of Page Left Intentionally Blank]*

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<sup>5</sup> Article II.A of the Debtor's confirmed Plan establishes an Administrative Expense Bar Date 45 days after the Effective Date (which is September 24, 2021) and requires any holder of such a claim to file an application for allowance and payment of the same no later than the Administrative Expense Bar Date. By this Motion, the Rank-and-File Employees are not seeking a "double recovery." To the extent the amounts asserted in the previously filed proofs of claim include amounts that qualify for administrative priority, this Motion merely re-asserts those amounts.

Respectfully submitted September 24, 2021

By: /s/ Frances A. Smith

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